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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

February 9, 2016

Kyle Kimmerle
Kimmerle Mining LLC
2056 Simpatica Court
Moab, Utah 84532

Subject: Extension of Time for Petition to Extend Beyond 10 Years of Inactivity, Kimmerle Mining LLC, Neighbor 2 Mine, S/037/0119, San Juan County, Utah

Dear Mr. Kimmerle:

On January 27, 2016, I received an electronic mail message asking if there were a way to obtain an extension of the permit for the Neighbor mine, file number S/037/0119.

The Division of Oil, Gas and Mining is obligated by rule R647-3-113.5 to require reclamation of a mine site after ten years of suspended mining activity. The Board of Oil, Gas and Mining, however, can grant an extension beyond 10 years. The Board and the Division are separate entities. As stated in the Division's letter of January 15, 2016, there has been no reported mining activity at the Neighbor mine since it was approved in January 2006. To the Division's knowledge, the only reclamation would be to remove equipment from the site, including the small drill rig.

You may petition the Board for a longer suspension period, but it is their decision, not the Division's, whether it would be allowed. Although the rules do not specify under what conditions the Board would allow a longer suspension period, I suggest they would want to know the reclamation surety is adequate, that the site is environmentally stable, and that all other permits are in place, especially approval from the Bureau of Land Management.

Further information about the Board, including its rules, is available on their web site at <http://linux3.ogm.utah.gov/WebStuff/wwwroot/Board/board.html>.

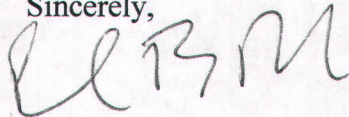
Until reclamation has been completed (removal of the equipment), the Division still requires the \$150 annual permit fee to manage the file. If the Board approves any extension to the permit beyond 10 years, the fee would also still be required for each year thereafter. The fee will no longer be required once reclamation has been completed.



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Kyle Kimmerle
S/037/0119
February 9, 2016

If you have questions or concerns about this letter, please contact Mike Bradley at 801-538-5332, or me at 801-538-5261. Thank you for your cooperation.

Sincerely,

A handwritten signature in dark ink, appearing to read 'P. B. Baker', with a stylized, cursive script.

Paul B. Baker
Minerals Program Manager

PBB: mpb: eb
cc: Ted McDougall, BLM Monticello FO (tmcdouga@blm.gov)
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